

If a retailer is required or authorized to collect Use Tax, his records must show that he states such tax separately to the purchaser from the selling price of the tangible personal property that he is selling. See 86 Ill. Adm. Code 150.1305. (This is a GIL.)

January 31, 2001

Dear Xxxxx:

This letter is in response to your letter dated January 24, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

Thank you for your letter that clarified your payment of sales taxes. In your letter you state that you include the price of tax in your items sold. Please note that Department rules require that if a retailer is required or authorized to collect the Use Tax, his records must show that he states such tax separately to the purchaser from the selling price of the tangible personal property that he is selling. In cases where it is not practicable to issue receipts showing the tax as a separate item, the seller is not required to separately state the tax. For example, retailers who make sales from vending machines are not required to separately state the tax. See 86 Ill. Adm. Code 150.1305. In these situations, the retailer must post a sign stating that the tax is included in the selling price of the item being sold. The posted sign method may not be used where the retailer issues sales tickets to customers. See 86 Ill. Adm. Code 150.1310, enclosed.

An important consequence of not complying with the requirement of stating the Use Tax separately from the selling price of the property in a manner authorized by this Regulation is the retailer's loss of the benefit of the deduction for a tax-collected item on his tax return form. See 86 Ill. Adm. Code 150.1315, enclosed.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.